

UNIVERSITY COLLEGE LONDON
FACULTY OF THE BUILT ENVIRONMENT
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THE CHALLENGE OF MIXED USE BUILDINGS

Lessons from Paris and London

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Being a dissertation submitted to the Faculty of the Built Environment as part of the requirements for the award of the MSc in European Property Development and Planning at University College London:

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Index

Index	3
List of figures and diagrams	4
Abstract	5
Word count	5
Introduction	6
Part 1: Vertical mixed use, context in France and in the UK	8
1.1 Planning policies	8
1.2 Benefits of mixed use	8
1.3 The property market perspective	10
1.4 Property ownership structures	12
Part 2 : Mixed use buildings in practice	15
2.1 Case studies presentation	15
2.2 Legal framework of the developments	16
2.3 Developers' cultural change	19
2.4 Funding	20
2.5 Management and organisation	22
2.6 Relationships with local authorities	26
Conclusion	30
References	31
Interviewees	34
Appendix 1: Glossary	35
Appendix 2: Presentation of the case studies	39
Appendix 3: Permis unique and ensemble immobilier complexe: two incompatible concepts?	45

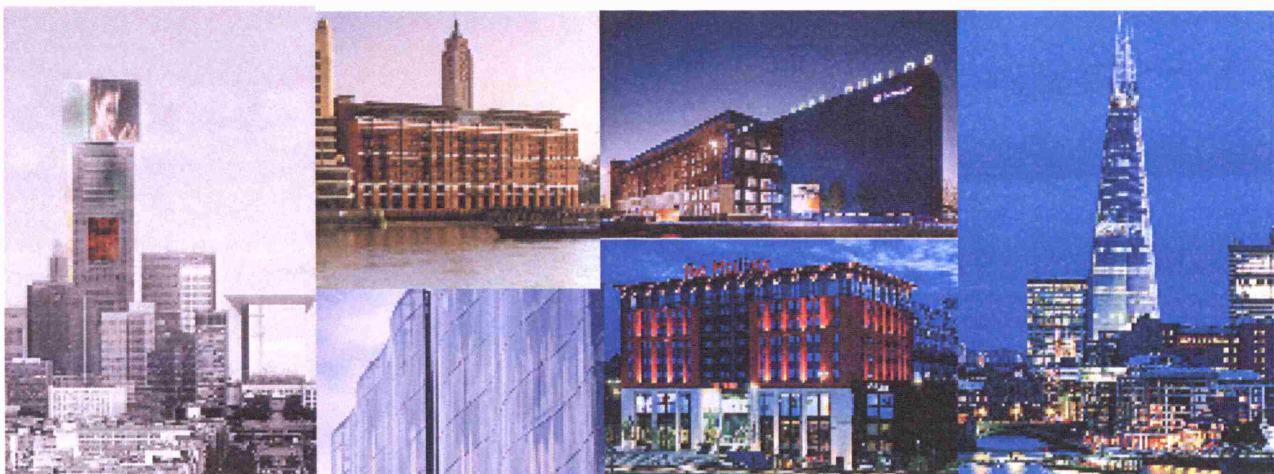


Figure 1: from left to right, top to bottom: Tour Signal, Oxo Tower, Kings Place, Fort Dunlop, The Mailbox, The Shard. All of them are mixed use buildings

Sources: www.tour-signal-ladefense.com, Coin Street Community Builders, www.building.co.uk, www.urbansplash.co.uk/fortdunlop/, www.knightfrank.com/ResearchReportDirPhase2, www.sharlondonbridge.co

List of figures and diagrams

<i>Figure 1</i> : Tour Signal, Oxo Tower, Kings Place, Fort Dunlop, The Mailbox, The Shard	3
<i>Diagram 1</i> : Total returns by predominant use 2004	12
<i>Diagram 2</i> : Mixed use / single use total returns	12
<i>Figure 2</i> : La Défense	13
<i>Figure 3</i> : Entrepôt Macdonald	15
<i>Figure 4</i> : ZAC Claude Bernard	15
<i>Figure 5</i> : Kings Place	15
<i>Figure 6</i> : Oxo Tower.....	16
<i>Figure 7</i> : Concert Hall, Kings Place	22
<i>Figure 8</i> : Ground floor, Claude Bernard	23
<i>Figure 9</i> : Distribution of developers in the Macdonald warehouse.....	24
<i>Figure 10</i> : Capital of the SAS ParisNordEST	39
<i>Figure 11</i> : Existing state of the Macdonald warehouse.....	39
<i>Figure 12</i> : Project of the Macdonald warehouse reconversion	39
<i>Figure 13</i> : Programmes distribution, Macdonald warehouse	40
<i>Figure 14</i> : The Macdonald reconversion project	40
<i>Figure 15</i> : Organisation of the buildings of Claude Bernard.....	41
<i>Figure 16</i> : Ground floors, Claude Bernard.....	41
<i>Figure 17</i> : Kings Place	42
<i>Figure 18</i> : Kings Place section	42
<i>Figure 19</i> : Oxo Tower Wharf	43
<i>Figure 20</i> : Oxo Tower section.....	43
<i>Figure 21</i> : Oxo Tower.....	44

Abstract

Mixed use is becoming a key aim of public policies all over Europe and many of the on-going major schemes are mixed use developments. However, the smallest scale of mixed use, the building, still suffers from a mistrust of the property market: the lack of experience, the tenure structures, the technical difficulties are all issues that lead developers to favour single use buildings. However, in increasing number of mixed use buildings shows that the tendency is changing. Among other developments, Oxo Tower and Kings Place in London and the Macdonald warehouse and Claude Bernard in Paris are examples of vertical mixed use implemented despite the issues mentioned above. Based on these examples and on more theoretical literature, the dissertation defines and analyses the obstacles to mixed use buildings and compares the French and the English contexts. Lessons can be learnt from these developments and from the differences between the two countries in order to build a "mixed use buildings" knowledge and foster the development of this niche market.

Word count

Word count : 10,856

Footnotes are used for the translation of the French quotations and were therefore not included in the word count. A glossary is provided in Appendix 1, which gives the definition and explanations for the abbreviations used in the dissertation, for the typical planning French words, or for the developments (other than the case studies) mentioned. The glossary is also provided as a separate document to ease the reading.

Introduction

Post-war modernist planning led to profound changes in the urban fabric. The generalisation of car use, of suburban areas and the segregation of uses were the concepts implemented in many developments. However these patterns have proved to be inappropriate for the challenges faced by planners and developers now and in the future. The rise of energy prices especially has and will lead to a shift in planning and development practices.

Within this shift, mixed use has become a planning paradigm (Hoppenbrouwer, Louw) in Europe and North America and is seen as a powerful tool to create sustainable, liveable and attractive neighbourhoods and city centres. However, the concept of mixed use development is ambiguous and covers a wide range of meanings. For example, mixed use can be integrated at all planning levels, from the cities and districts to street blocks or single buildings. *"Mixed use development is a relative concept. Whether areas are described as mixed use depends on the frame of reference and on how boundaries are drawn"* (Rowley, 1998, p.2). The practical issues of mixing uses are usually such that mixed use developments are predominantly large scale schemes, in which buildings conserve a single use.

However, in city centres, one can notice that the pressure on the land is high and opportunities for developments rare. With a lot of brownfield sites being currently redeveloped (such as Greenwich peninsula, Kings Cross, Ile de Nantes, Lyon Confluence), the opportunities are likely to shift towards smaller sites in the future. Already on major sites, despite their size, planners are sometimes struggling to integrate all the required uses.

In this dissertation, I will concentrate on so-called vertical mixed use developments or mixed use buildings, which include the superimposition of at least two activities in the same building. Such buildings often have retail on the ground floor, and office or residential uses on the upper floors. Although such developments are rather small scale developments, some major schemes have been or are being implemented: reconversion of warehouses and factories (such as the Lingotto in Turin, Macdonald warehouse in Paris, some buildings of the Amsterdam docklands...) or high rise buildings (The Shard, Tour Signal in La Défense, the Time Warner Center in New York).

Vertical mixed use generates an important number of issues, some common to horizontal mixed use development, others specific to the mix of activities in a single building that can constitute an important obstacle to the implementation of vertical mixed use. Developments and developers are often reluctant to launch such projects, even when backed up by a public involvement. For example, the mix of owners and of diverging interests in one building can introduce a strong barrier to such developments. The research questions I will explore in this dissertation are as follows:

What are the challenges that developers have to face when they embark on such developments? And what responses do they bring to these challenges?

During my internship in the project management team of the Macdonald warehouse reconversion, I had the opportunity to assist to a workshop between French and British planners and developers. At

this occasion, the mixed use buildings of the ZAC Claude Bernard were presented and raised a certain perplexity among British developers who saw such buildings as almost impossible to complete in England. Later, I also had the occasion to hear from a French developer that in his opinion, it was easier to implement mixed use buildings in England, where they had more examples of such buildings. These remarks triggered my curiosity and led me to look at both France and England. Are the issues faced by developers the same? Are the responses similar? And are there lessons to learn from differences?

I based my research both on theoretical literature, and, as this literature is rather limited, on case studies in both countries. I focused on four developments, for which I interviewed several actors involved in the planning and development process (list in appendix). In France, my main case study was the subject of my internship, which made it easy for me to gather information and find contacts. In England, I had some more difficulties to find contacts. Beyond the main case studies that I used for the comparison, I therefore also browsed several other developments in order to have a wider understanding of vertical mixed use issues.

While analysing the available literature about mixed use buildings, it was interesting to see that the themes developed in the publications were very different from one country to the other showing that mixed use buildings didn't raise the same difficulties in France and in England.

In the first part of the dissertation, I look at the context for mixed use buildings in France and England. After looking at the general attitude of public authorities fostering mixed use developments and the benefits they bring, I tried to define why the property market tends to be sceptical towards mixed use and the challenges such developments mean.

In the second part, I look at how some developers deal with these issues in their developments in Paris and in London. The section is divided into chapters, each highlighting a major topic: the relationship with planning authorities, the management of the schemes, the professional cultural issues, the funding and the legal framework provided by the French and the English systems. The examples used to do this comparison are presented briefly at the beginning of this part.

The research and writing of the dissertation was made while doing an internship at the Semavip as assistant project manager on the project of the Macdonald warehouse reconversion.

Part 1: Vertical mixed use, context in France and in the UK

In today's context of increasingly big cities, where commuting times become an important part of our daily lives, central locations are becoming more and more sought after. The suburbanisation of the 1960s and the segregation of uses leading to the degradation of urban areas have been under increasing criticism over the last 20 years. Governments and local authorities over the world are more and more committed to programs of urban regeneration and try to bring people and businesses back to city centres (whether historical or new).

1.1 Planning policies

In England, the principles of mixed use developments have been developed since 1994 in different policies issued both at the national or regional level. In the Planning Policy Guidance of the Department of the Environment about Town Centres and Retail Developments in 1996, mixed use is encouraged: *"A mixture of small businesses, houses or offices in or near town centres and the occupation of flats above shops, can increase activity [...]. Local authorities should particularly focus on the opportunities for urban design strategies for large sites [...], as well as on opportunities for small sites and in individual buildings"*. The need to foster mixed use is reiterated in the Urban White Paper (2000), which reminds that there is a *"substantial amount of empty or under-used commercial property with potential for conversion to mixed-uses including housing"* or in the Sustainable Communities Plan (2003).

In France from the LOV (Loi d'Orientation pour la Ville) in 1991 to the Borloo law in 2003 and the SRU (Solidarité et Renouvellement Urbain) in 2000, several acts define urban mix (mixité urbaine) as a priority objective for public policies. The "mixité urbaine" is declined through two dimensions: mixed use and social diversity (mixité sociale). As in England the principles of mixed use are promoted throughout a set of plans at the different planning levels. The SDRIF (Schéma Directeur de la Région Ile de France)¹ emphasises the need to develop compact city centres providing a variety of uses to the inhabitants: *"Afin de promouvoir une ville compacte qui répond aux besoins des Franciliens, il précise les moyens à mettre en œuvre pour favoriser la proximité et la mixité fonctionnelle, [...]."*²

1.2 Benefits of mixed use

Mixed use is promoted as essential to have attractive, compact and sustainable urban environments, where people can live, work, shop and pursue leisure activities. While the literature about mixed use is abundant in British publications, it is much more difficult to find documents in France, where the

¹ SDRIF : Schéma Directeur de la Région Ile de France. The SDRIF is the planning document for the region Ile-de-France

² *"In order to promote a compact city responding to the need of the Ile-de-France inhabitants, it details the means to carry out in order to foster neighbourhood character and mixed use;"*

debate mainly concentrates around the “mixité sociale” rather than the “mixité fonctionnelle”. I therefore based the general introduction and the literature review essentially on Anglophone publications.

⇒ **Sustainability**

It is often said that mixed uses allow reducing the need to travel by bringing a range of facilities and in close proximity to the residential and work uses. This helps create walkable neighbourhoods, therefore reducing the car use. By often increasing the densities of the urban space as well, mixed use developments increase the viability of public and alternative transport modes and create a more friendly and liveable environment. The SDRIF sees the mix of uses as a tool participating to the reduction of car dependency: « *la ville compacte favorise les modes doux de transport. Pour en obtenir le gain maximum, il faut, dans les opérations d'urbanisme, promouvoir [...] la mixité des fonctions et l'équilibre habitat/activités permettant de rapprocher le logement et l'emploi.* »³

The mix of uses also has the potential to pool together some facilities or services, such as parking. “*The amount of land allocated to parking can be minimised by sharing parking between business and shopping (mostly in the daytime) and residential (full allocation in the evening).*” (Urban Design Compendium p.82)

At the level of buildings, the mix of uses has a great potential, although still at its early days, to share several services and most of all to have a global energy management. For example, uses such as housing and offices have different needs in energy that can be complementary. While residential uses will need hot water, offices will usually need cooling.

⇒ **Urban diversity and vitality**

The mix of uses in the same area creates activity in the neighbourhoods all day long, on the contrary to single use developments. It creates spaces with both day and night economy, as different uses can have their peak of activity at different times of the day. For example, office uses might provide restaurant customers for lunchtime and residential uses can provide customers for the nighttimes. This helps to create vibrant communities. “*The urban experience, as distinct from the suburban or rural experience, is a product of many ingredients including the diversity of people, activities, uses, architecture; the amenities, open spaces and other visual stimuli that cities can offer; and a rich public life.*” (Rowley PPR, p89)

For example, the access to good local services and the vitality of the urban environment are increasingly important for major office occupiers in the areas where they work (Wang).

Mixed use also creates a safer environment, by generating activity during longer hours and bringing more observation on the street and public spaces within neighbourhoods.

⇒ **The compact city**

In increasingly populated cities, where available space in the centres are becoming scarce, increased density and diversity of land uses is not only desirable but is also more and more a necessity. The

³ “*The compact city promotes alternative transport modes. In order to make the most of it, mixed use and the live/work balance should be also promoted in urban schemes, so as to bring housing and employments closer.*”

concept of the compact city is still debated, however, the reality shows that land prices in the centres of major cities are high, and the pressure on the few available lots is not likely to decrease.

"I think [a lot of people] are starting to think about mixed-use. You have a limited amount of land available in central London and I think the only way to develop this land is to have mixed-use developments." (Alison Pinner, Coin Street Community Builders)

In Paris, even on large brownfield sites, it has proven to be difficult to squeeze in all the uses requested such as in the urban project of Clichy-Batignolles. *"On a tellement de contraintes, que pour bouger quelque chose, pour ajouter quelques classes pour les élèves, pour rajouter un programme, forcément, ça mord sur telle et telle chose. [...] C'est complexe. Et il y avait tellement d'attentes sur ce terrain, on est bien obligés d'y répondre."*⁴ (V. Grimonpont)

In this context, mixed use buildings have an important role to play in dense city centres, where the number of constraints is high, the size of the available plots is limited and where the local context can lead to a need for more than one type of activity. This is especially true when it comes to the reconversion of industrial buildings or construction on former industrial or railway land, in urbanized areas. They have to integrate themselves into an existing urban environment with specific characteristics. The PADD (Projet d'aménagement et de développement durable) of Paris for example, sets constraints relative to commercial uses in new and refurbished buildings: *" Limiter la transformation des locaux commerciaux en rez-de-chaussée en logements, Soutenir l'installation d'ateliers de production artisanale afin d'assurer la mixité des fonctions des quartiers et de susciter des créations d'emplois "*⁵

Mixed use buildings therefore have a chance of success in specific locations. The tall building discussions both in Paris and London have recently fuelled the debate.

1.3 The property market perspective

Despite the now acknowledged benefits of mixed use and its increasing integration in the planning agendas at all levels, mixed use developments and especially mixed use buildings are still perceived by developers and investors as risky and complex investments, with poor performance.

In order to foster mixed use developments, several constraints need to be overcome, which currently deter many investors, developers:

⇒ Complexity of mixed use developments

Ownership patterns: In France and in England the constraints introduced by the ownership systems, although quite different, generate issues for developers and investors. The different lease regimes in England and the difficulty to deal with the dissociation of land and air rights ownerships in France can lead to difficulties at every stage of the development and reduces the flexibility of such investments.

⁴ *"We have so many constraints that in order to be able to move something, to add a few rooms for the pupils, to add a program, it necessarily takes space away from something else. It's very complex. And there were so many expectations about this area, we had to address them".*

⁵ *"Limit the amount of ground floor commercial spaces changed into residential space, support the creation of workshops in order to bring a mix of uses in neighbourhoods and to create jobs."*

Technical constraints: Integrating a mix of uses in the same building generates a set of technical and design constraints in order to allow different uses to cohabit without conflicts in the same space. *"Issues such as bin storage, noise, hours of use and time deliveries all need to be carefully considered to avoid a negative impact on the residential component."* (CBRE p.6) For example, the existence of a pub or a restaurant in a building can produce noise disturbance to the residents. Residential uses, with families and children, can have a disturbing impact on the image of high range offices...

The design is also often under a lot of constraints, as different uses have to function independently. *"The provision of individual accesses for each use is generally essential but can significantly reduce the amount of useable space at ground level."* (CBRE p.5)

Heavy Management: Once (and if) the technical constraints are overcome and the construction completed, the management of the mix of uses is complex. *"Never underestimate management time"* (Mark Billingham, The Birmingham Mailbox Ltd). Many investors are not willing to bear the costs of this management and look for assets that are less time consuming. *"Upon completion, it has been clearly identified that mixed use schemes are highly management intensive."* (Knight Frank)

⇒ **Professionals' attitude and culture**

Investors and developers: Property markets are structured into separate sectors, such as residential, commercial, offices, etc. These sectors are often themselves divided in sub sectors: social and private housing are usually not developed by the same people for example. There is therefore a strong specialisation of the developers and investors and this leads to a *"cultural divide within the property industry [...], which many feel to contribute to the practical difficulty in conceiving schemes which mix commercial and housing uses. Professionals in the industry, and especially those in the role of advisers or consultants, tend to be firm specialists in one side or the other."* (Stationery Office 2002 p78) This situation is a strong inhibitor of mixed use.

Planners: Many developers and investors point out that planners also tend to have a low understanding of the forces and mechanisms driving the property market. Their interventions aiming at fostering mixed use might not always be the most sensible ones.

⇒ **Planning authorities**

Across France and the UK, local authorities are widely supportive of mixed use developments. However, depending on the country and the location of the scheme, the involvement and the incentives set up by the planning authorities might vary significantly. Introducing mixed use can help to get planning consent and respect public strategies. However, finding the right balance between market conditions, location and local planning policy can prove to be rather complicated.

⇒ **Performance of mixed use buildings**

Mixed use developments are often perceived as financially far less viable than single use developments. However, there is a lack of evidence to state whether this perception is subjective or objective. Some studies (Knight Frank, CBRE, IPD...) seem to prove that mixed use developments might actually perform quite well and outperform single use schemes. According to a study of Jones

Lang Lasalle for the BCO, “office dominated mixed use buildings benefit from higher returns and are associated with lower risk when compared to a single office use alternative” (BCO p5). However, the sample sizes are small and the results remain marginal.

It would seem therefore presumptuous to assume that mixed use developments are financially more performing than single use schemes. However, a set of successful models can be used as a best practice guide and have proven to be particularly good investments.

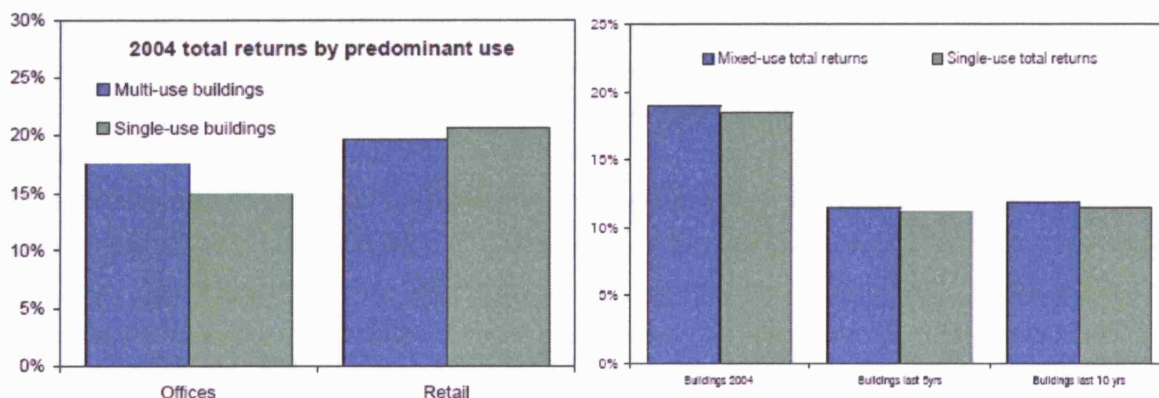


Diagram 1 and 2

Source: IPD; Savills Research, Mixed use issues, 2005

One can argue that because mixed use buildings are products specifically linked to the context of their urban environment, and because they often respond to a unique situation and location, it will be difficult to build reproducible models. However, when asked if their projects can be used as models for future developments, all the interviewees responded positively. If one has to bear in mind that a mixed use buildings is, as any development should be, inextricably linked to its environment, one can still look at the answers brought in different schemes to the challenges mentioned above.

1.4 Property ownership structures

Mixed use buildings need to be linked to the legal frameworks of ownership because they present important drawbacks to mixed use buildings. The following section briefly presents the different ownership systems in both countries.

⇒ France: copropriété et division en volume

Copropriété: In France, land and property ownerships are usually not differentiated: the Code Civil states that “la propriété du sol emporte la propriété du dessus et du dessous”.

In France, the most common type of ownership in a building with multiple owners is the “copropriété” (co-ownership). “The building is divided into private lots, together with a share in the freehold interest and in the common parts, the latter including: foundations, lifts, stairways, corridors, etc.” (Turber 1996) The share in the common parts is defined proportionally to the size of the private lots. All co-owners belong to a management association, the “syndicat des copropriétaires”, who protects the

common interests of the owners and takes the most important decisions relating to the management of the building.

"The management association appoints a manager, the "syndic", who represents the association in relation to third parties." (Turber 1996)

The limits of the "copropriété": The co-ownership system is defined by a 1965 law, which is often criticized as too strict, although it has been amended several times.

In the case of vertical mixed use developments, the co-ownership introduces a form of management that is not adapted to the different uses coexisting in the same building.

The status of public space (Domaine Public) is not compatible with co-ownership. If a square, a street or any other type of public space is introduced in a development, this automatically excludes this space from any co-ownership.

Co-ownership also doesn't exist during the development phase. This doesn't generate any problem in most cases, where one developer is in charge of the planning and construction of the building and then sells the different parts to different owners, creating the "copropriété". However, in major schemes, the development process is more complicated: the time frame is different, and while one part of the scheme can be finished and in the commercialisation phase, other parts can still be under construction, or not even started. Although the co-ownership law can still be applied to such situations, the answers provided are far from satisfactory.

Major schemes include a high number of owners, with different activities and interests, and owning very different types of properties. The management of such schemes by the "copropriété" system is very laborious, and it is difficult to reach decisions.

Another solution: "la division en volumes":

To avoid the difficulties of the co-ownership in major schemes, the « division en volumes » (volumes division) can be used, which introduces the separation between land and property ownership. There is no law⁶ framing this type of developments, where the different volumes constituting the scheme are dissociated from the land ownership. The legal emptiness around the "division en volume" introduces a lot of freedom for such developments.

For example public spaces can be introduced in the scheme without generating ownership and management issues.

A description of the volumes accompanied by a "cahier des charges" defining the different rights and duties linked to each volume constitutes the basis for selling the different volumes.

However, common elements and volumes remain. They are usually owned and managed by an Association (ASL or AFUL). Each owner of a volume owns a share of this Association. Such a system allows to simplify the decision making process, compared to the co-ownership. For example, a

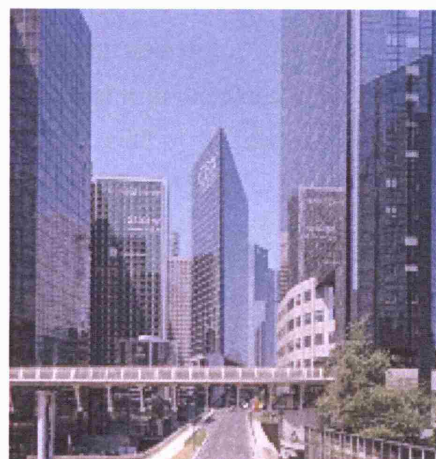


Figure 2: The sector of La Défense, near Paris is an « Ensemble Immobilier Complexe »

Source : <http://derouault.net/+La-Defense+>

⁶ The "division en volumes" is purely conventional, essentially framed by the jurisprudence and doctrine.

copropriété can exist in one of the volumes of the scheme. The copropriété is then represented by a single person, usually the "syndic" in the association managing the scheme.

⇒ **England : Freehold and Commonhold**

The freehold and leasehold system: The British land and property law has a quite unique ownership system through the freehold/leasehold. The freehold is the full ownership of land and property and is not time-framed. The freehold is quite similar to ownership in France. The leasehold is usually a long-term lease (99 to 999 years most of the time for housing). The lease defines the time-frame and the rights and duties of the leaser. At the end of the lease, the land and the building revert to the ground landlord. The value of the leasehold diminishes with time.

In the case of one building with several leaseholds (apartments or commercial uses for example), the freeholder would usually retain the ownership of the common parts and of the land and manage the common parts of the building (and charge it to the occupiers).

The reform act of 1967 gave stronger rights to the lessees in order to protect them at the end of the lease: *"In essence this provides that lessees coming within the terms of the Act have the alternative, at the expiry of their lease, of either purchasing the freehold from the landlord (in effect this would be a compulsory purchase at the suit of the lessee) or obtaining a fifty years extension of the lease (again, if necessary compulsory)."* (MC AUSLAN, 1975, p336)

However, the different reforms introduced to allow leaseholders to buy their apartments were not as successful as expected. In 2002, a new law changed the rules to buy back a freehold and introduced co-ownership.

Commonhold: The commonhold allows combining the full ownership of private lots with the participation to an association, the Commonhold association, who owns and manages the common parts of the building. This system is quite similar to the French "division en volumes".

Every owner in the building belongs to the Commonhold Association and participates to the annual general assembly, where decisions are taken. A management board, elected by the owners, manages the building on an everyday basis. Regulations define the way the commonhold will work.

When looking at the French and British ownership systems, one can notice that both systems, although originally very different have introduced reforms that led to new mechanisms that bear many similarities.

From a system where land and property ownership are not dissociate, France has been slowly moving towards the possibility of separating these two types of ownership, in order to adapt to major schemes where the mix of numerous types of properties could not be addressed by the existing system (developments such as La Défense or Maine-Montparnasse are often cited as examples of such schemes).

In England, the move towards more guarantees to the leaseholders led to the introduction of a similar volume division, with full ownership of the volumes, and an association in charge of the rest.

Part 2 : Mixed use buildings in practice

I chose the following examples because it seemed to me that altogether they illustrated the different issues faced by developers at different states of the development process and provided different answers to these issues.

2.1 Case studies presentation

A precise presentation of the case studies is provided in Appendix 2.

Entrepôt Macdonald

The Macdonald-Ney warehouse is one of the largest buildings in Paris. It will be redeveloped as a 165,000m² mixed use building hosting housing, offices, retail and public facilities. The building is being redeveloped by a public-private partnership, the SAS ParisNordEST (Caisse des Dépôts et Consignations, Icade, SEMAVIP).

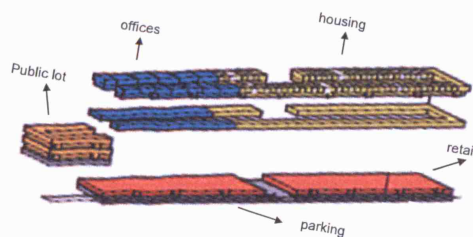


Figure 3

Source : SAS ParisNordEST/OMA

ZAC Claude Bernard

The Zone d'Aménagement Concerté Claude Bernard, in Paris, is a major mixed use development on 14.6 ha. The project includes housing, offices, workshops, retail, a leisure centre, a day care centre, a school, parking and housing for the elderly. The workshops, retail and housing form mixed use buildings. The "aménageur" of the development is the SEMAVIP and the "maître d'ouvrage" is Meunier Habitat.

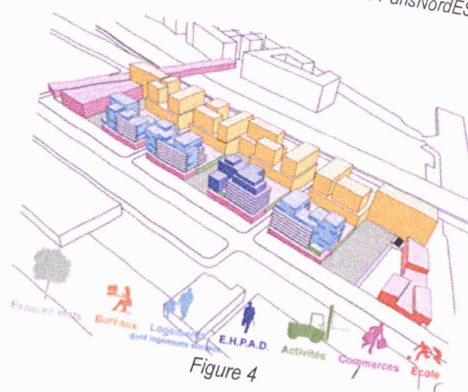


Figure 4

Source : SEMAVIP

Kings Place

Kings Place is a 51,400 m² mixed use development, undertaken by Parabola Land Ltd, an independent developer, hosting offices and cultural activities, especially two concert halls.



Figure 5

Source : www.bdonline.co.uk

Oxo Tower

Oxo Tower Wharf is a reconverted warehouse, hosting social housing, retail, restaurants and bars on the London Southbank. Its developer and owner is Coin Street Community Builders, a community developer.



Figure 6

Source : Coin Street Community Builders

2.2 Legal framework of the developments

While property ownership seems to be one of the main problems linked to mixed use buildings in France, the issue is seldom raised in England. This is due to the fundamental difference in the concept of property in the two countries.

In the English case studies, the freehold of the buildings usually remains the property of the developer/investor: Parabola Land and Coin Street Community Builders hold the freeholds of their schemes. This allows them to keep some control on the overall building, to choose the tenants (when a leasehold comes to an end, they have the possibility to either renew it or to look for another tenant) and in the long term, to redevelop the building if they wish to do so.

This difference is fundamental compared to French developments, whether a “copropriété” or an “ensemble immobilier complexe”. Indeed, both these ownership structures imply that there is a fragmentation of the building between different owners, without any structure that would guarantee a coherent evolution of the building and the site in the long term.

Indeed, although developers tend to separate uses and create independent operational volumes as much as they can, the different types of uses are still bound to interact in a number of areas of the building and share some services. As there is no permanent body that has a legitimate power over the entire building like the freeholder in England, everything has to be decided during the development phase and has to be carefully planned and set in contracts linking the different owners of the volumes. This doesn't leave much flexibility for later adjustments that would seem appropriate once the building has actually been used on an everyday basis.

« Il y a un moment donné où, techniquement, on a beau essayer d'isoler les volumes, on a quand même des imbrications : sur les fondations, sur les réseaux. Il faut essayer de les anticiper, de voir ce que l'on peut isoler. On peut toujours avoir des choses auxquelles on n'a pas pensé. Les problèmes ne se posent pas dans l'immédiat. Des années peuvent se passer avant qu'apparaissent des lacunes dans l'organisation mise en place. Comme tout est conventionnel, on peut très bien avoir des problèmes qu'on n'a pas envisagés avant. » (Maeva Persson, Office Cheuvreux)⁷

⁷ “There comes a time when, from a technical point of view, you can try as much as you want to separate volumes, you will always have complexity and volumes overlapping. You have to try to anticipate, estimate the complexity, see which volumes can be isolated. There are always things you won't think of. Problems do not

Although there are some common bodies such as the syndic and the assemblée des copropriétaires in the copropriété and the ASL or AFUL in the Ensemble Immobilier Complexe, they have limited powers and usually require that the decisions are made by a majority of the shareholders/ owners of the building.

The mix of uses can make these decisions very difficult to reach because the owners of the different uses have divergent interests.

« Quand trente ans après, il s'agit de tout reprendre, là, ça devient très compliqué. Surtout quand on a des copropriétés de logements. » (Michèle Raunet, Office Cheuvreux)⁸

The presence of a superior owner can make things easier. In the end, he is the one who will make the decision. Therefore, the freehold system presents an undeniable interest by giving the power to make decisions regarding the overall building to a single body.

"It's quite an interesting issue those scaffolding⁹, because normally, you paint your windows every 5 years, certainly every 7 years. I think it's true to say that the housing side would have liked to paint them earlier. But first, putting all this scaffolding is very expensive and second, Alison and her team aren't very keen in having their building covered in scaffolding. So there is a bit of a trading that goes on. But in the end of day, CSCB makes the decision. [...] By being the same company, it kind of makes the decision easier." (Christine Czechowski, Coin Street Community Builders)

For the Ensemble Immobilier Complexe, usually used for the most complex mixed use developments, the contractual relationships between the different owners and the division of the property is a crucial moment of the development process. The "Etat Descriptif de Division en Volume" defining all the volumes of the building and the rights attached to them, as well as the "système de servitudes", sets the way the building will operate. The Association Foncière and its status are also defined at the same time and need to be carefully looked at as it will be in charge of managing the common areas and shared services of the building.

"L'Association est un organe fondamental pour le bon fonctionnement de la vie en collectivité dans une division en volumes. Ses statuts doivent être rédigés avec rigueur et minutie, dans la mesure où tout repose sur eux. » (Lejeail, 2005, p41)¹¹

However, the freehold system also carries some difficulties that can be an obstacle to mixed uses and discourage developers and investors from implementing mixed use buildings.

occur right away, they come later. Years can go by before deficiencies appear in the organisation. And because everything is conventional, you can perfectly have neglects, some problems that no one had foreseen."

⁸ *"When 30 years later, you have to adjust everything, it becomes very complicated. Especially when you have residential copropriétés"*

⁹ At the time of the interview, Oxo Tower's façades were being renovated.

¹¹ *"The "association" is a fundamental body for a peaceful everyday life in a "division en volumes". Its statutes have to be written very carefully, as the organisation and role of this body relies on them".*

Indeed, the time frame differences between the different leaseholds can become a problem if the building or the site needs to be redeveloped. This is especially a problem with residential uses, where leaseholds tend to be long, (usually 50 to 99 years or more). Developers are therefore reluctant to introduce housing in their schemes.

“At least, when you know you’ve got periodic time when all the leases fall in, in commercial leases that would often be 25 years, you can plan for that and put strategies for the building.” (David Graham, dp9)

In Kings Place, the arts spaces belong to a charity holding a lease of 25 years. This, together with typical lease lengths for the offices guarantees that space is “blocked” by a long lease. Strategies can be changed after a period to test how the different activities function together, although Peter Millican (Parabola Land) hopes not to have to intervene on the building for a long time.

In Oxo Tower, a registered social housing association holds a 25 year leasehold for the residential part of the building, while the commercial uses have different types of contracts with Coin Street Community Builders. The longest one is a 25 year leasehold for the restaurant on the top floor. In this development as well, the time frames of the different leases have been limited to 25 years, which can also allow Coin Street Community Builders to review their strategy periodically.

The possibility to use the right-to-buy for residential tenants to buy the freehold of a building also constitutes an obstacle to introduce housing in a mixed-use building.

“There is always a reluctance to mix residential uses with other uses. Typically that is because, once you completed the development, there is always the risk that when you try to sell it as an investment to somebody else, they will say: what happens if the residential leaseholders group together and try to secure a freehold.” (David Graham)

In order to avoid this type of inconvenience and secure their freehold, Coin Street Community Builders have chosen to have cooperative housing in their scheme. The cooperative housing is outside the Landlord and Tenant Act, and therefore there is no possibility for the tenants to use the right-to-buy. The social registered housing association delivers 5 year subleases to the housing cooperative, who then has weekly tenancy agreements with the occupiers of the flats. This unusual system is a way to avoid the Landlord and Tenant Act.

However, in most cases it remains difficult to avoid the risk of the right-to-buy if housing is included in a mixed-use building.

The reconversion of the Macdonald warehouse also highlights a legal issue closely linked to the mix of uses. In France, a fundamental principle of the planning and construction regulation is that buildings are indivisible entities, for which a unique building permit has to be requested. This doesn’t take into account the complexity of major mixed use schemes and leads to incompatibilities and risks for the developers. Solutions and adjustments will have to be found in order to facilitate and organise the mixed use buildings developments processes.

2.3 Developers' cultural change

Developers are increasingly looking at mixed use buildings both in France and in the UK. However, there are still a limited number of projects in the pipeline.

Developers are usually specialised in one sector of property development, and this constitutes a strong obstacle to mixed use developments.

"Traditionally major property developers in the UK have specialised in one sector. Similarly financing and investment institutions have usually allocated their funds on a conventional basis and therefore historically preferred single-use developments." (CBRE,p2)

Developers are therefore not only reluctant to introduce mixed use in their schemes, but they also miss some opportunities to increase the quality and the value of their developments by introducing uses that are not part of their speciality.

"I think that developers are often missing a trick by not looking at and developing other uses. [...] The property industry has been highly segmented in the UK. Residential developers are highly distinct from commercial office or industrial developers." (Yolande Barnes, Savills)

The development of mixed use buildings requires to master different property sectors and to have the ability to combine them together. It requires from the specialised developers to build a new knowledge and new practices in order to revise their traditional ways of doing things. It might be easier for smaller companies, independent developers who are focused on specific products, who look at local areas. It might require a longer time to the major developers.

"I think a lot of developers do not realise the full potential of their sites because they operate in those single uses silos. I think it will take a while for the industry to break down and reconfigure itself in a more appropriate practice." (Yoland Barnes)

In the cases of Oxo Tower, or the Mailbox, the developers responsible for the two projects are tightly linked to the local area and to the project. Coin Street Community Builders was born after a local campaign and only works in the area of Coin Street, and Alan Chatham set up his company in order to achieve the project of the Mailbox.

The partnership responsible for Macdonald warehouse reconversion was also set up specifically to redevelop the building and the status of the company (ParisNordEST) were tailored according to the project.

However, as the benefits of mixed use are more and more recognised, major property developers do operate a shift towards mixed use schemes. *"They have [...] attempted to re-align themselves in the market to take advantage of the apparent growth in this sector."* (CBRE, p2) In France, as most of the major development schemes are at least partly controlled by the public authorities, institutional property developers might be forced quite quickly to integrate mixed use practices in their habits. In the ZAC Claude Bernard for example, a constraint on the developer was set by the City Council who required retail and workshops on the lowest floors of the residential buildings.

However, this example also showed that the developer chosen for the scheme struggled a bit to manage the mix of uses. Faced to unfamiliar uses and ways of doing things, the beginning of the project was quite difficult.

“Ca n’est pas son domaine, et la RIVP et la SEMAEST veulent des produits bien particuliers. Ils se retrouvaient confrontés à un fonctionnement qu’ils ne connaissaient pas, par rapport aux logements. Ça a pas mal pédalé dans la semoule les premiers mois, lorsqu’il a fallu tout combiner. Les premières esquisses ont été un peu fastidieuses. La mise à plat des premières fonctionnalités était un peu dure.» (Anne Maikovsky, Semavip)¹²

Developers will have to break down and review their practices. Those who manage to adapt early to the challenges of the mix of uses will be able to build upon their experience and be ahead on these types of products. Meunier Habitat in the ZAC Claude Bernard, Icade in the Macdonald warehouse are examples of major property developers involved in mixed use buildings who, faced to the reality and emergency of operational projects, have to adapt. It is apparently sometimes a difficult process for developers who are not used to atypical property products and who usually try to avoid them.

“Pour eux, tout ce qui sort de l’ordinaire dans un logement, ça ne va pas se vendre. C’est un problème du marché français. Les français ne sont pas du tout tournés vers l’imagination et l’innovation. A l’étranger, ça n’est pas comme ça. Les logements d’OMA, ça les surprend. [...] Ils essaient de banaliser le sujet pour le faire rentrer dans leurs grilles. Mais ça n’est pas possible.»¹³
(Bertrand Parcollet, Icade)

2.4 Funding

« The case for investment in mixed use buildings and schemes is becoming established but one barrier to the development of mixed use environments lies in the longer term nature of the funding needed for them.» (Barnes, 2004, p1)

The property market, although slowly changing its attitude, is still apprehensive towards mixed use buildings. Developers might find it difficult to find funding sources. The higher the complexity of the building, the more difficult it is to find loans and investors ready to put money in the project.

For Oxo Tower, Coin Street Community Builders had great difficulties to find funding and talked with about 30 banks before finally getting support from the Merchants Bank. The part of the bank dealing with shipping invested in the project, because they were used to dealing with unusual risks.

“Anything that is more complicated has a higher transaction cost. First, we were looking for 11M£, 15M£. That rules out of pension funds, they want to get rid of 100M£. Smaller things, you spent just as much time on it, so it’s expensive. So we were in this area that was too big for a local bank but not of interest to pension funds or insurance companies, institutional actors. Then we wanted debt finance, [...] When you get equity investors, what they are really looking for is to get in, to do the development, to let the thing at high rents as quickly as possible and sell off the thing as an investment, as an

¹² *“It is not its sector and the RIVP and the SEMAEST want specific products. So they found themselves facing an unfamiliar way of doing things. The beginnings were difficult, when everything had to be combined together. The first sketches were quite fastidious. Defining and combining all the uses was hard.”*

¹³ *“For them [developers], everything that is slightly unusual in housing will be difficult to sell. It’s a problem of the French market. French people are not at all aiming at imaginative and innovative solutions. It’s not like that abroad. Therefore, OMA’s propositions for residential units surprise them. [...] They try to trivialize the subject in order to squeeze it into their habits. But it’s impossible.”*

income stream. That would have been a significant conflict of interest.” (Iain Tuckett, Coin Street Community Builders)

For Kings Place development, Peter Millican could not have implemented his project without the prelet of an important part of the building to the Guardian newspaper. However, in this case, he also thinks that the mix of uses did not make the borrowing from banks more difficult. Indeed, one can notice that although quite unusual, the mix of uses of the building does not generate a strong impact on the office areas, which remain a rather standard product.

The increasing number of successful mixed use buildings will establish new evidence of the good performance of such developments. More and more real estate experts are starting to look closely at mixed use buildings. Mixed use buildings are increasingly seen as an investment opportunity. However, the management and the long term strategies are key issues in maintaining and increasing the value of mixed use buildings. These aspects of managing assets and having the potential to considerably increase the value of a property by intervening on the management of the building are an important change in the current practices. Such factors for example are not included in the currently used valuation models, making them inappropriate for mixed use buildings. *“This is where conventional models start to break down. It is an international problem. In most places, the old models of development are inadequate for the real mixed use challenge.”* (Yolande Barnes)

The internationalisation of property markets makes the problems mentioned above also accurate in the French property market. However, there are fundamental differences in the ways to finance urban development. In France, there is still a whole sector of funding institutions that constitute a powerful tool to invest and implement projects that might not be considered viable by the international financial market. *“[En] Grande Bretagne, [...] si le secteur privé n’est pas intéressé à investir et si le secteur public n’a pas les moyens d’investir le processus s’arrête [...]. En France, l’existence d’un secteur florissant des banques mutuelles et des caisses d’épargne dont la politique d’investissement est dirigée vers la réalisation des politiques publiques [...] signifie que le système d’urbanisme, au sens large, est un outil financier essentiel pour lancer et réaliser des projets de développements à presque toutes les échelles. »* (Fraser, 2007, p.267) In the case of the Macdonald warehouse, the Caisse des Dépôts indeed plays a central role, by carrying 50% of the budget of ParisNordEST.

However, these differences are slowly fading and it will be interesting to see in the future how partnerships between public and private actors, both in France and England, evolve and what role they will play in delivering major mixed use schemes.

Cross- subsidising

Mixed use developments provide the possibility to cross subsidise and implement some uses that might not be financially viable on their own. It can also allow public authorities to rely on the private sector to provide some services and minimise their expenses.

The introduction of a high range restaurant on the top floor of Oxo Tower provides a stream of income that can be reinvested in other uses, such as social housing or workshops. *“It’s not an irony that the*

restaurants are there... Any strategy that is sustainable has got to have something which brings in money and recycles it" (Iain Tuckett). Coin Street Community Builders has kept this approach in their new development (Doon Street development), where they will fund a swimming pool through the building of commercial residential development.

One of the reasons why it was quite easy for Kings Place to get planning permission for a big amount of offices was the presence of the art centre, a major equipment for the area, including the community. The foundation set up to manage the music spaces at Kings Place has an Outreach Program in order to work with the local community. The art facilities offered by the project of Kings Place would have been impossible to implement without cross subsidies from the offices. *"it was just a vehicle to do both of them together. The all thing has to make financial sense, and then you can cross subsidise in the building."* (Peter Millican).



Figure 7: A concert hall in Kings Place building
Source: www.building.co.uk

The mix of uses not only allowed Peter Millican to implement his vision, but also brought much more to the community than what could have been expected through section 106: *"Millican estimates that the value of the programme's public elements exceeds what he might have been expected to contribute in terms of a section 106 agreement by a factor of four. Not a penny of public subsidy has gone into the £97 million development."* (Woodman, 2008)

Mixing uses therefore can allow developers to include uses in their schemes that might otherwise not be considered profitable enough or can bring services for the community that public authorities might not be able to fund themselves. Uses such as leisure and cultural facilities, educational facilities, etc, can be at least partly funded through mixed use developments.

In the case of the Macdonald warehouse, developers will carry the building costs and the development process of a social centre and a day care centre. The creation of ParisNordEST also allows the City of Paris to reduce its financial participation to the project.

2.5 Management and organisation

More than in any other type of building, the management in mixed use buildings is a crucial point. Although these buildings are always designed so as to separate uses as much as possible, it is impossible to avoid some interactions. Some of the uses will have to share horizontal or vertical separations, others might have to share a common parking or services, such as waste ...

In order to simplify these interactions as much as possible and make both the conception and the management of the building easier, architects and developers usually try to separate the different uses into functional units that can be operated independently from the other uses.

In the buildings studied, uses usually benefit from their private accesses. If this simplifies the management, however, it puts a lot of constraints on the ground floor, where a considerable space has to be allowed for the multiple entrances and services dedicated to the upper floors. In the Macdonald project, the choice has been made to limit the number of accesses on the ground floor and to use an intermediary floor to redistribute the flows of pedestrians. This allows to diminish the amount of space allocated to technical services and accesses and to increase the number of m² dedicated to the retail area.

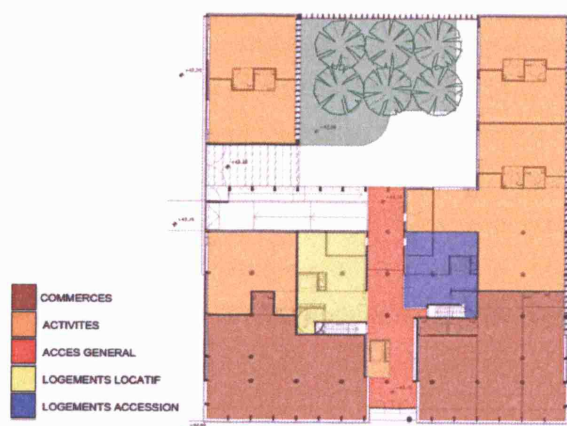


Figure 8: Ground floor plan of one of the mixed use buildings of the the Claude Bernard ZAC

Source: SEMAVIP/Meunier Habitat

« La difficulté de la mixité verticale, c'est la façon dont on traite les rez-de-chaussée, et les emprises au sol. Qui dit mixité dit accessibilités différentes. On voit bien sur Claude Bernard qu'on a plusieurs types d'activités différentes dans un même immeuble [...]. Les accès ne peuvent pas être communs, il faut les distinguer. »¹⁴ (Marie-Anne Belin, Semavip)

Although solutions can be found to pool some services and technical areas between the different uses, buyers and investors are often reluctant to these solutions and would rather have truly independent units that they can operate without having to work with other actors. This problem can be observed in the Macdonald warehouse where some propositions such as a unique sprinkler system in a part of the basement, or a common safety management are difficult to negotiate with the future buyers of the volumes.

“La mixité, c'est aussi la séparation des flux, la séparation des accès, donc c'est une pluralité de locaux pour les déchets, de cages d'escaliers, de sanitaires... La mixité ne veut pas dire mutualisation des espaces. Donc il y a un peu une contradiction entre le fait de tous vivre au même endroit, mais de bien séparer les usages et les accès »¹⁵ (Anne Maikovsky)

In the end, mixed use buildings seem to face a contradiction: even though people might invest or live in these buildings, they will require that the uses are separated as much as possible.

“L'imbrication volumétrique, les investisseurs détestent ça, de ne pas avoir leur bâtiment clairement identifié. »¹⁶ (Marie-Anne Belin)

Investors and occupiers like to have their buildings clearly defined and are usually eager to stand out from other uses. This can go against the architectural unity of the building.

¹⁴ “The difficulty of vertical mixed use lies in the way you will design the ground floors. Mixed use means different accesses. You can see on Claude Bernard that you have different uses in the same building. Accesses can not be shared, you have to separate them”.

¹⁵ “Mixed use also means separating the different flows, separating the accesses, so this means that there are several store rooms, staircases, sanitary facilities... The mix of uses will not necessarily mean that these spaces will be pooled together. There is therefore a contradiction between the fact that everyone lives in the same place, but uses and accesses still need to be clearly separated.”

¹⁶ “Investors hate volumetric complexity. They want to have their buildings clearly identified”

In the case of the Macdonald warehouse, the project evolved from an organisation into layers of uses into a more vertical separation, in order to simplify both the construction and commercialisation phases and the future management of the scheme. This allowed to create more standard spaces and to win more easily the support of the future buyers and developers of the different volumes of the building.

“On a quand même pas mal simplifié le problème. Ça ne serait pas passé si on en était arrivé à superposer les fonctions. Le projet initial, avec tout superposé, ça ne passait pas. C’est idiot parce que c’est très faisable. Mais ça ne passait pas. A partir du moment où on n’a qu’une mixité commerces/bureaux, commerces/logements, on rentre dans quelque chose de beaucoup plus banal, donc ça passe mieux. »¹⁷ (Bertrand Parcollet)

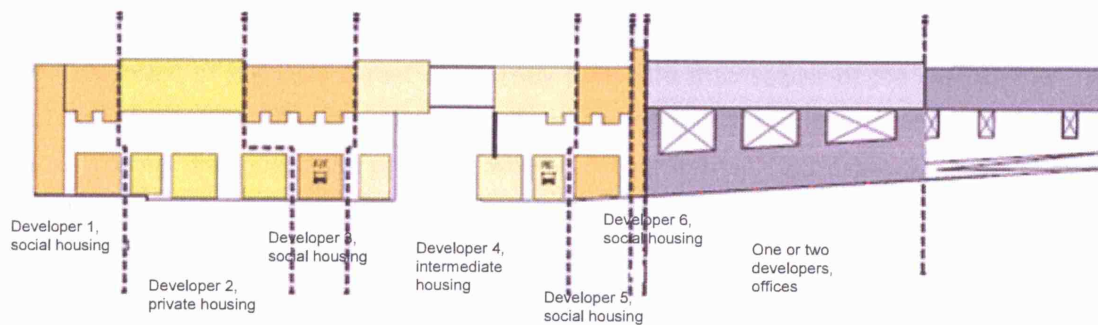


Figure 9: A proposal of the design team for the distribution of developers in the building
Macdonald warehouse reconversion

Source: ParisNordEST/OMA

There is therefore a need to balance the will of the different occupiers to separate their uses and at the same time to plan the interactions between the uses and create the conditions and the organisation that will provide the best solution to manage the mix of uses.

In France, the creation of bodies in charge of this management is a key question in the implementation of mixed use buildings. The creation of an « AFUL » or an « ASL » enables to have a private corporation¹⁸, who can own parts of the buildings and has the ability to make decisions on an everyday basis. Drafting both the constitution of the association and defining the volumes it owns is an important phase of the development process.

“ En fait, ce sont des dossiers où il faut avoir de l’imagination : imagination contractuelle pour écrire les statuts, pour écrire les états descriptifs, pour penser l’immeuble. C’est un vrai travail d’organisation d’ensemble immobilier. Il faut penser le fonctionnement de tout ça. »¹⁹ (Michèle Raunet)

For example in the case of the Macdonald warehouse, the ownership of the subsoil of the site will most probably be given to the ASL, as the risks linked to the soil pollution couldn’t be borne by a

¹⁷ “We simplified the problem anyway. The project might not have been accepted so easily if we had ended up overlaying all the uses. The initial project, with all uses on top of each other wouldn’t be accepted. It’s a bit sad because it is easily feasible. But they [investors and developers] wouldn’t accept it. Now that we have only two uses vertically mixed, that is to say retail and offices or retail and housing, it is a more common typology and they accept it.”

¹⁸ Personne morale de droit privé

¹⁹ “In fact, these cases require imagination; from a contractual point of view, when you have to write the status, to write the description of the volumetric complexity, to think the building. It’s a real work to organise the building. You have to forecast everything from the beginning.”

single owner. Consequently, if some works have to be undertaken in the subsoil, all owners of the volumes of the building will have to participate somehow to the costs generated. Similarly, if there are some spaces used by all the users of the building, these might also be owned by the ASL. The repartition of the operating charges between the different users of the building will also be decided during the development process. However, even if the legally binding documents set up to organise the management of the building are well thought and precise, the role played by the occupiers and users of the building can not be minimised. Problems can arise in the long term. To reach a general harmony in the scheme, it is necessary that the occupiers adopt a responsible attitude and are ready to discuss and compromise with the other occupiers.

In the English case studies, the developers have a long term strategy and do not sell the building after completion. Coin Street Community Builders is a local enterprise and is defined by its strategy and role in the development of the Coin Street area. They take care themselves of the management of the scheme. They have separated the management of the residential and commercial areas. However, there is an internal dialogue in the company when it comes to major decisions. The occupiers of the building (housing cooperative and top floor restaurant for example) also have representatives who have regular meetings in order to solve their problems.

"It is important to identify who is responsible for what areas. It is generally quite difficult to have a shared responsibility. If there is a problem, everyone says it's the other one. We have to negotiate. We have to work together." (Christine Czechowski)

In the case of Kings Place, a managing agent has been appointed by Parabola Land, who will take care of the refuse, the cleaning, gas and electricity, etc... This is a common system in London to manage buildings. *"You really need one person otherwise it's a mess."* (Peter Millican)

« Il y a une part d'illusion dans ces organisations où chacun est chez soi. Elles permettent effectivement de demander un permis de construire pour effectuer des aménagements sans demander l'avis de l'autre. Mais l'ouvrage, la structure est quand même unique. »²⁰ (Maéva Persson)

Despite everyone's will to separate uses, there are indeed a number of interactions that have to be managed on an everyday basis in order to have a successful scheme with uses coexisting harmoniously. The planners of mixed use buildings have to combine their design of the scheme with the different constraints and a certain freedom for the occupiers/buyers of the volumes to fit out their spaces. They need a breathing space in order to negotiate with the future occupiers/buyers. Depending on the type of uses that are being planned, this margin is more or less important. For example, in the case of Kings Place, the office spaces are standard office spaces and although the Guardian had an early pre-let, it was not involved deeply in the design process. However, it still *"negotiated its own entrance to the south of the building on York Way to mark its separate identity. [...] The Guardian is [also] in talks with Parabola Land about additional green features."* (Property Week 09.02.07)

²⁰*"There is a certain illusion in these organisations where everyone is in his own space. They certainly allow you to apply for a building permit without asking for your neighbour agreement. But the structure remains unique."*

“Sans être a priori favorables à la mixité fonctionnelle, les entreprises n’y sont pas forcément hostiles une fois démontrés ses impacts positifs en termes de qualité de vie au travail et de requalification urbaine. En tout état de cause, elles souhaitent pouvoir en partie intervenir sur l’aménagement de leurs locaux, afin de s’approprier les lieux et se protéger des éventuels effets négatifs de la cohabitation. Les marges de négociation peuvent porter sur l’agencement des halls d’entrée, le partage des parkings avec d’autres entreprises, commerces ou résidents, le financement de certains aménagements permettant d’éviter les problèmes de voisinage,…”²¹ (Crédoc, p166)

Management also has the potential to either increase or deter the value of mixed use assets and needs to be given a lot of attention from the beginning of the project.

“That in itself is actually an enormous challenge because it works directly against the normal way of doing things, which is to build out and sell off each component to each entitled investor.” (Yolande Barnes)

A successful management can bring an added value to the property by bringing “a sense of place”, an “urbanité” that will make the scheme attractive for the users and visitors of the area. According to a developer involved in the project of the Ile de Nantes, *“Quand vous êtes un patron, [...] vous ne pouvez éviter de vous poser la question: mon personnel, là où je vais, qu’est-ce qu’il va faire? Dans quelles conditions vont-ils vivre dans cet endroit ? [...] Vous connaissez la Plaine Saint-Denis, ... les entreprises [...] ne s’y plaisent pas. C’est trop mono-produit. Il n’y a pas assez de mixité, ça veut dire que les gens s’ennuient là-bas.”*²² (Van de Walle, 2007, p163). In the case of Oxo Tower, Iain Tuckett identified as an incentive to provide mixed uses the fact that the attitudes of employers changed and that they were more willing to provide a lively environment around the office buildings for their employees (it led to the creation of the South Bank Employers Group).

2.6 Relationships with local authorities

The involvement of the local authorities in the development of the mixed use buildings studied is very different in France and England. Beyond the specific situation of each building, this is probably also due to the fundamental differences in the planning and development systems of France and England. The French authorities seem to have a greater ability to intervene in the operational development processes, either directly or through their Sociétés d’Economie Mixte. The private sector in England seems to have a more important role in the launch of the development projects.

²¹ *“Companies are not against the concept of mixed use. Once they are shown what its impacts are on the quality of life at work, they are usually not hostile towards mixed use. However, they always want to keep control of the design of their office spaces, in order to avoid the eventual negative effects of mixed use. Negotiations can be led about entrance halls, sharing parking areas, financing some elements allowing reducing the impacts of mixed use.”*

²² *“When you are a boss, I can tell you that you can’t avoid asking yourself questions such as: what are my employees going to do in the new location? What will the life conditions be there like? Do you know the Plaine Saint Denis? Companies there don’t like it. It’s too single use oriented. There is not enough mix of uses and people get bored.”*

"[...] à moins d'être dans une zone où des intérêts privés exercent de fortes pressions pour obtenir tel aménagement, toutes les villes des Grande Bretagne semblent avoir des terrains abandonnés ou sous-employés parce que les autorités publiques n'ont ni la volonté politique ni les moyens financiers pour rendre possible l'aménagement lorsqu'ils ont des outils pour le faire. En France, a contrario, ces terrains vagues sont presque considérés comme une injure au public et à la volonté de la commune. Rares sont ces terrains qui restent non aménagés pendant longtemps. [...] Ainsi l'urbanisme, en France, réalise l'aménagement en plus de le définir. »²³ (Fraser, Breuillard, p330)

- **A reactive approach**

On-site and design complexities often discourage developers to implement mixed use buildings, and the market only shifts slowly towards an understanding of the advantages of mixed use buildings. The public authorities can play a role to accelerate this process and provide incentives to foster mixed use. This can be done by voting and implementing policies for example. For example, the borough of Westminster has a strict mixed use policy, requiring residential space for any increase in commercial space.

The Plan Local d'Urbanisme of Paris includes some "Orientations d'Aménagement" for several sectors in the city, defining the uses allowed there. *"L'entrepôt situé au Sud du Boulevard Macdonald est destiné à être reconverti pour permettre la réalisation de logements, commerces, bureaux et équipements publics. Il est envisagé de réaliser des équipements scolaires, sportifs et sociaux, ainsi qu'un parc de stationnement pour autocars"*²⁴ (PLU, Paris). Any project implemented in the sectors subject to an « orientation d'aménagement » has to be compatible with these guidelines.

The public authorities have therefore the ability to set rules that will force developers to implement mixed use in their schemes. *"Si ça n'est pas imposé, cela ne leur [promoteurs] viendrait pas à l'idée."*²⁵ (Anne Maikovski)

However, although the mixed use is more and more seen as a positive change, local approaches to mixed use can vary quite significantly and the change of attitude of all actors towards mixed use will also depend a lot on the private sector.

- **A proactive approach**

The public sector also has the possibility to take part directly to the implementation of mixed use developments, either through public-private partnerships, or by taking the responsibilities of these schemes themselves. However, a study undertaken by Savills seems to prove that the schemes under private sector ownership are more likely to be completed than those in the hands of the public sector.

²³ "Unless you are in a zone where private institutions put a lot of pressure in order to obtain certain projects, all British cities seem to have derelict land or underused land because public authorities have neither the political will nor the financial means to implement projects, even they would otherwise have the tools to do it. On the contrary, in France, these derelict plots are usually considered as an insult to the public and to the borough's will. Most of these lots are developed quite quickly. Urban planning in France therefore implements and achieves development in addition to defining it."

²⁴ "The warehouse to the south of the Macdonald boulevard is to be converted in order to create housing, offices, retail and public facilities. Schools, sport and social facilities, as well as a bus parking are forecasted. Housing should constitute at least 40% of the total amount of built spaces, out of which 50% will be social housing."

²⁵ "If they are not forced to, they will not think of it themselves"

"It may be that the bigger, more difficult and more commercially-marginal sites are less likely to be owned by private sector developers and more likely to be in the hands of those promoting them for non commercial reasons such as economic and environmental regeneration. Nevertheless, it is unlikely that any will be built without the involvement of a private developer at some stage." (Yolande Barnes)

The public private partnership set up in order to implement the reconversion of the Macdonald warehouse is a good example of a project which might not have been launched without the involvement of the private sector on one hand and of the public sector on the other hand. Indeed, from a strictly financial and economical point of view the reconversion of the building was not the most viable use for the site. *« Moi, j'étais convaincue que si ce bien était maîtrisé par un opérateur privé, il resterait à usage d'entrepôt parce qu'il avait plus de valeur à être conservé en l'état. »*²⁶ (Marie-Anne Belin)

The partnership created to buy the warehouse reunited a SEM, the Caisse des Dépôts et Consignations and Icade. The advantage brought by this partnership for this risky project was, for the private developers, to share the risk with the city via the SEM and therefore to have some certainty about the involvement and the interest of the public body to see this project come forward. For the public body, this partnership enables them to minimise their financial participation in a project that would have been difficult to achieve only with public funding. For Icade, their participation in this project might as well enable them to position themselves on the property market as a pioneer in working with local authorities.

*"il y a une volonté d'Icade d'avoir une relation privilégiée avec les collectivités locales. Il faut bien savoir qu'en France, il n'y a pas d'opération d'aménagement ou de grosse opération d'aménagement sans que ça passe par les collectivités locales. »*²⁷ (Bertrand Parcollet)

All actors seem to agree on the fact that the public-private partnership here is partly responsible for the efficiency in implementing the scheme. In order to reach a financial equilibrium and make profits, the private parties need to see the project move forward. The SEM has a special relationship with the city, which helps them to lead efficient negotiations in order to overcome legal difficulties.

- **Different solutions leading to the same results?**

Depending on the local environment and the local market, the approach taken by public authorities and developers can be very different. However similar results are reached: true mixed use buildings, including a variety of uses. In the case of Kings Place, the project was led by an independent private developer and the borough was involved through the negotiations leading to the planning permission. *"They could have been more difficult with us about the requirements to provide residential. [...] I think that they granted more office space than they might otherwise have done if it weren't for the arts elements, that to the order of maybe two floors."* (David Graham).

²⁶ *"I was convinced that if the warehouse was owned by a private institution , it would stay a warehouse because it had more value when kept as a warehouse"*

²⁷ *"Finally, there is Icade's will to have a special relationship with public authorities. You have to know that in France, there is no major development undertaken, without it going through public authorities first."*

In the case of the ZAC Claude Bernard, the city took the initiative of the project by creating the ZAC and then choosing the SEMAVIP as the SEM in charge of the implementation of the program voted by the city council. The intervention of the private sector is set in this framework.

In the case of the Macdonald warehouse, the initiative is private²⁸, with the creation of a private company in order to implement the project. All partners bear the risk of the project together.

As a niche market considered by many developers as too risky and complicated, the expansion of vertical mixed use can be strongly fostered by public authorities through proactive or reactive approaches. Their level and type of involvement in mixed use schemes can vary, depending on the local context and market, and on the tools available to them. Public policies and initiatives can strongly influence and pressure the private sector.

“Partly in response to planning requirements for mixed use, and partly in response to the belief that benefit may be derived from mixed use buildings, the UK development market is starting to witness the re-emergence of mixed use buildings.” (CBRE p17)

²⁸ In France, this initiative can be considered private as the actors who form the partnership come under the private law. However, the notion of private and public can vary a lot from France to England, where the nature of the partners means that they would probably be considered as public actors (the SEMAVIP and the Caisse des Dépôts et Consignations both have public authorities as the majority stakeholders: the City of Paris for the first one, and the State for the second one).

Conclusion

There is at present a strong distrust in the potential of mixed use buildings. Vertical mixed use generates a set of technical, legal, managerial or financial challenges and the natural tendency is to favour the simpler and more usual single use developments. However, developers are becoming more aware of the benefits and the added value of mixed use buildings (from an urban planning point of view but also more and more from an economical one). An increasing number of successful schemes, together with more and more publications on the subject, show the on-going changes. Several examples provide a good basis to be inspired from and lessons can be learnt from the experience of the developers involved in these schemes.

Those who engage now in the process will be able to build knowledge and acquire competencies that will be valuable in the future.

Property professionals can (and should) also look at what is going on abroad: some issues they face can be quite similar, usually when they are linked to the property market mechanisms. Property development is a more and more global market and patterns tend to repeat themselves from a country to another: specialisation in one sector, international institutional investors... Technical issues as well are similar everywhere. This shows that in some fields, lessons can be learnt between developers, architects... regardless of their country. The importance to emphasise the management from the beginning for example, or the need to foster cooperation and transversal practices between the different sectors of property developments are conclusions that can be drawn from all the case studies.

Differences appear when one looks at issues that are more closely linked to a specific national cultural context, as can be seen when it comes to ownership or planning systems. In these cases, one can learn as well from what proves to be successful in each country. On one hand, France can learn from the advantages of having a permanent structure owning and managing the building. On the other hand, the proactive role of local authorities and their capacity to force into the market the mix of uses is can inspire British authorities.

Changes will have to be brought from all actors if one wants to foster mixed use buildings. Planners and legislators will have to take on board the investors' and developers' issues linked to mixed use and developers and investors will have to integrate the principles of mixed use in their practices.

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Interviewees

Iain Tuckett (Executive Director), Alison Pinner (Director of commercial and public realm management), Christine Czechowski (Director of housing)

Coin Street Community Builders, for Oxo Tower Wharf (development and management)

Peter Millican

Parabola Land Ltd, for Kings Place (developer)

David Graham

Dp9, for Kings Place (planning consultant)

Anne Maïkovsky (Responsable d'opérations)

Semavip, for the ZAC Claude Bernard (aménageur)

Michèle Raunet, Maéva Persson, Isabelle Arnold

Office Notarial Cheuvreux, for the Macdonald warehouse (notaires)

Marie-Anne Belin (Directrice générale, Semavip)

ParisNordEST/ Semavip, for the Macdonald warehouse (Associée ParisNordEST)

Bertrand Parcollet

ParisNordEST/ Icade, for the Macdonald warehouse (Directeur ParisNordEST, developer)

Yolande Barnes

Savills, Head of FPD Research

Véronique Grimonpont

Chef de projet, Direction de l'Urbanisme, Mairie de Paris for the Clichy-Batignolles project
Interview made in Spring 2007, for « Le projet urbain : de la théorie à la pratique, le secteur Clichy-Batignolles à Paris », dissertation for the engineer diploma of the Ecole National des Travaux Publics de l'Etat

Appendix 1: Glossary

The French terms used in the dissertation, the buildings and developments mentioned in the dissertation, and the abbreviations are explained in the following glossary.

An important part of this glossary is taken from “Muleta”, an international lexicon specialised in spatial planning and development. When mentioned, the definition has been directly taken from this lexicon (<http://www.muleta.org>).

Activités: the term “activités” is very vague and includes a range of professional uses, that are usually not qualified as typical office or industrial uses. These can be workshops, offices for small and very small enterprises, etc. In the case of Claude Bernard, they are workshops and in the case of Macdonald warehouse, they are rather offices for small enterprises specialised in sustainable development or in digital/numerical activities.

AFUL and ASL: Association Foncière Urbaine Libre and Association Syndicale Libre

These two bodies can be the managing bodies for the Ensembles Immobiliers Complexes. The owners group into an “association syndicale” in order to manage and maintain the common and public spaces of the development. In order to be created, the consents of all the owners involved in the perimeter of the association is needed. Once the association has been created however, any person who would buy or inherit from a volume in the building would be automatically and necessarily integrated in the “association syndicale”.

The association is a private corporation. Public corporations representatives can belong to the “associations syndicales”. Because they are private corporations, the “associations syndicales” can go to law, buy, sell, borrow or mortgage.

A copropriété can exist in an “association syndicale” and is usually represented by its “syndic”.

There are only few differences between the “association foncière urbaine libre” and the “association syndicale libre”.

Aménageur: Person or body vested by public or private law, in charge of planning and carrying out the actions needed to acquire and prepare land so that it can be built up. These powers are delegated by written contract, by a local government authority. The land planner specialises in spatial matters and can contribute at very different levels, from the conurbation to the neighbourhood and local levels. The planner is also a strategist, insofar as he/it must take into account geographical, historical and forward-looking aspects. (Muleta)

Bail emphytéotique: long term lease.

BCO: British Council of Offices

Caisse des Dépôts et Consignations (CDC): The Caisse des Dépôts et Consignations is a public financial institution founded in 1816. It is somehow a long-term investor aiming at fulfilling the general interest. Among its numerous activities, it has subsidiary companies for property development and housing. It works both for the public authorities (State and local authorities) and as a private investor as well.

Clichy-Batignolles: the Clichy-Batignolles urban project, set on railway land, is aiming to create a mixed use neighbourhood, with 220,000m² of housing, 25,000m² of public facilities, a 10ha park and up to 190,000m² of commercial space. This area was originally planned to host the Olympic Village if Paris had won the Olympic 2012 bid.

Code Civil: code of civil law

Doon Street Development: The Doon Street site is adjacent to the National Theatre and is currently used for car parking. In November 2005, Coin Street Community Builders submitted an application for a major mixed use development with the following objectives:

- to create a new public swimming pool and indoor leisure centre owned by Coin Street Centre Trust and managed by Greenwich Leisure Ltd as part of a network of new facilities to support the growing residential and working populations of this part of central London,
- to provide a site for Rambert Dance Company to locate its headquarters and three dance studios on London's South Bank in return for providing an on-going dance education and training programme for the local community,
- to create sufficient funds to develop the site and subsidise on-going revenue costs for the public swimming and indoor leisure facilities, local community programmes and Coin Street Community Builders' responsibilities with respect to the public realm.
- To create a substantial increase in the residential population of the area to support the local economy
- To provide commercial floor space to enhance economic activity in the area ...

Euralille: Euralille is a major urban project created around the new Eurostar station of Lille. Although the project, designed by Rem Koolhaas, is mainly a business centre, a mix of uses was integrated in the design in order to create a lively area. The area opened in 1994.

Icade : Icade is a subsidiary company of the CDC, and one of the major private developers in France. It is quoted on the stock exchange since 2006.

Ile de Nantes: the Ile de Nante urban regeneration project is a major mixed use development, on the 337 ha of this island located on the Loire River, just opposite Nantes' historic centre. Set for an important part on brownfield and railway land, the project will create new mixed use neighbourhoods, public spaces, parks, etc. All together, 6,5000 housing units will be created, together with 250,000m² of commercial space and 140,000m² of public facilities.

LOV: Promulgated on 13 July 1991, this law was intended to foster social cohesion and eliminate segregational phenomena occurring in towns through four channels: balancing out housing between towns and neighbourhoods, ensuring that housing in older neighbourhoods are properly maintained, overseeing the urban and social development of large housing projects and policy on landed property. Its aim is to fight exclusion and spatial segregation, by making diversity mandatory in both the private and social housing sectors of large conurbations, and by better meshing neighbourhoods into towns. (Muleta)

Mailbox: Set in Birmingham, the Mailbox is a mixed use building hosting a wide range of activities: offices, designer shops, restaurant, bars, a supermarket, art galleries and apartments. The development was carried out by the Birmingham Development Company, created by Alan Chatham and Mark Billingham, in order to implement this reconversion of the former sorting office of Royal Mail into a mixed use building.

"The 80,000m² building is one of the largest mixed-use developments in Europe. The development includes 200,000ft², 200 apartments, two new hotels, 40 designer shops and 15 waterside restaurants, cafés and bars. The upper levels of the building provide office and residential accommodation. The site also provides 900 secure car parking spaces." (Cabe)

Maître d'Ouvrage: Person or legal entity for whom an undertaking is carried out. The contracting authority (or "client") sets the agenda, provides financing, signs the contracts and agreements in the work estimation phase and chooses the chief architect who will be in charge of carrying out the project.

He may seek out the assistance of qualified technicians (assistant contractor, operations supervisor or proxy) in conducting the operation (preparatory stage or project execution), but may not, whatever the circumstances, delegate his responsibilities with regard to financing or planning. (Muleta)

Maître d'œuvre : Person or legal entity with whom the contractor entrusts the responsibility for carrying out a project. There can be a single person (in France, this is most frequently the architect) or several parties, each playing a certain specialised role.

He ensures that the project is carried out in line with state-of-the-art standards, draws up the necessary written and graphic documents, requests the appropriate administrative approval, negotiates with the companies that will contribute to the project, monitors the project's progress and assists the contractor when the completed work is presented. (Muleta)

Mixité urbaine: urban mix. The « mixité urbaine » carries two concepts : social diversity (mixité sociale) and mixed use (mixité fonctionnelle).

Notaire: notary

Orientation d'Aménagement: In the PLU, a certain number of sectors are subject to specific strategic guidelines, which describe quite precisely the uses allowed in those sectors, as well as the amount of social housing, or other types of urban, social or architectural prescriptions.

PADD: Projet d'Aménagement et de Développement Durable

Permis de construire: Building permit. Administrative authorisation necessary prior to all construction activity, whether for housing use or not, even if it does not involve foundations. (Muleta)

PLU : Urban development document.

Covering the entire surface area of one or more communes, the PLU provides the framework in which public or private action may be taken to help neighbourhoods undergoing major changes. Based on overall analysis, it presents the commune's urban plan in the field of land planning, public areas, landscaping and the environment (planning and sustainable development plan or **PADD**). The PLU sets out the urban development rules to be abided by in the relevant commune or communes and contains regulations as to site use. It defines the boundaries of urban areas ("U"), areas to be developed ("AU"), agricultural areas ("A") and natural or forest areas ("N"). It must be compatible with other planning documents, in particular the territorial consistency plan (SCOT) regarding the conurbation.

It is set up upon the impetus and under the authority of the commune, in connection with the other relevant national partners. Once approved, it can be viewed by the public.

(Muleta)

RIVP: Régie Immobilière de la Ville de Paris. Social housing company of the City of Paris

SEM: Société d'Economie Mixte. SEM are private limited companies which combine capital from local authorities (municipality, department, region and their associations) and economic partners. (Muleta)

SEMAEST : Société d'Economie Mixte de l'Est de Paris. In the Claude Bernard scheme, the SEMAEST is in charge of the retail, the workshops and the offices. The SEMAEST holds a "bail emphytéotique" for a period of 25 years. The retail and workshops are usually set at the ground floor of the building with the retail in the front, open towards the street and the workshops in the backyard of the building.

SAS : Société à Actions Simplifiée

SDRIF : Schéma Directeur de la Région Ile de France. The SDRIF is the planning document for the region Ile-de-France. It is a long-term framework coordinating a broad range of public policies and private actors. It also regulates local masterplans.

The Shard: the Shard is a skyscraper planned near the London Bridge in London. The building will be 72 floors high and will gather a mix of uses: offices, hotel and housing. The scheme, designed by Renzo Piano, was just granted the planning consent.

South Bank Employers Group : the South Bank Employers Group brings 15 major organisations of the South Bank area together. They have a common, concerted action to promote and maintain the

South Bank and develop projects to promote the area. Each member pays an annual subscription and is represented on the Board of the organisation.

Loi SRU: Loi Solidarité et Renouvellement Urbain

The aim of the 13 December 2000 Urban Solidarity and Renewal Act was to provide a new foundation for urban policy by bringing together, for the first time, such issues as urban development, housing and transport, all closely intertwined, within the concept of solidarity that should underlie all conurbations, so as to foster urban development and renewal that in a manner that upholds the principle of solidarity and is respectful of the environment. (Muleta)

Syndic: Management agent, legal representative of the owners of a “copropriété”

Tour Signal: The Tour Signal is a tower planned in La Défense quarter, near Paris. The tower will welcome different uses. An international design competition led to the choice of Jean Nouvel to be the architect of this new building, seen as symbol for the renewal of La Défense.

ZAC: ZACs have a generous scope. According to legislation, the “primary” objectives of a ZAC are to create: “1. buildings for use as housing, trade, industry and public services; 2. public and private buildings and facilities.” If the municipality has a local development plan (PLU), ZACs can only be created inside urban zones or future development areas. When revising a local land-use plan, the rules that apply in the development plans for ZACs no longer apply and are replaced by those of the local development plan. In this instance ZACs cease to be exceptional in nature and take on the status of ordinary town planning legislation. (Muleta)

Appendix 2: Presentation of the case studies

The reconversion of the Macdonald warehouse

Architect (masterplan): OMA

This 1966, 630m-long building was targeted in the Plan Local d'Urbanisme of Paris as a redevelopment area and is set in the urban regeneration sector (GPRU, Grand Projet de Renouveau Urbain de Paris Nord Est) of about 150ha. It was bought in 2006 by a public-private partnership the SAS ParisNordEST, constituted of Caisse des Dépôts et Consignations (CDC), Icade and the SEMAVIP.

The warehouse is being redeveloped into a mixed use programme. For financial and aesthetic reasons, the decision was made to keep the existing building as much as possible and especially the 8x8.50 m structural grid. There will also be new constructions on the top of the building, which was designed and constructed in order to be able to host further buildings above the existing structure. The City of Paris, originally owner of the air rights, signed a convention with the SAS ParisNordEST in order to exchange these rights with a set of engagements, such as the construction of the a social centre, a day care centre, or the demolition of a middle part of the building in order to let the tramway through.

Capital of the SAS ParisNordEST

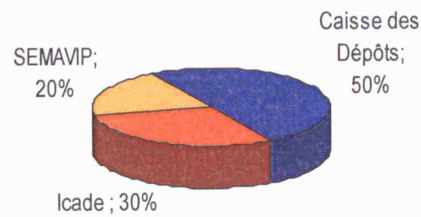


Figure 10



Figures 11 and 12: The existing state of the building and the reconversion project Macdonald warehouse

Source: ParisNordEST/OMA

The programme of the redevelopment is as follows:

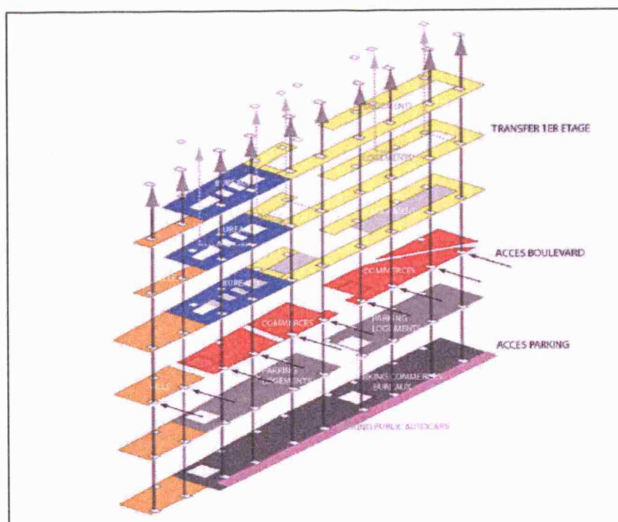
- ⇒ 74,500 m² housing (social and private)
- ⇒ 48,000 m² offices
- ⇒ 26,000 m² retail

- ⇒ Public uses (primary and secondary schools, sport centre, day care centre, social centre, parking for tourist buses)
- ⇒ A parking for residential uses and one open to the public

The schools and the sport centre will be built on a lot that will be separated, both physically and legally from the lot developed by the SAS PNE.

This development is quite unique. First of all, by its size: only few non-high rise buildings reach this amount of m² in the world. This gigantic size leads to a high number of uses, and truly makes of this development a mixed use development. All types of activities can be found, which makes it particularly interesting, as it is possible to see in a single example most of the problems that can occur when different types of activities coexist.

The programmes are scattered as follow in the building:



(grey and purple) underground parking,
(red) ground floor retail, (yellow) residential,
(blue) offices and “activités”,
(orange) the public lot
The nursery and the social centre are not shown on this picture.

Figure 13
Source: ParisNordEST/OMA

Finally, for each activity, there will be several owners. About 6 developers are expected to buy and develop the housing uses for example (one for private housing, one for intermediate housing and the rest for social housing).

The completion of the scheme is expected for 2012, when the new tramway line will be put in service.

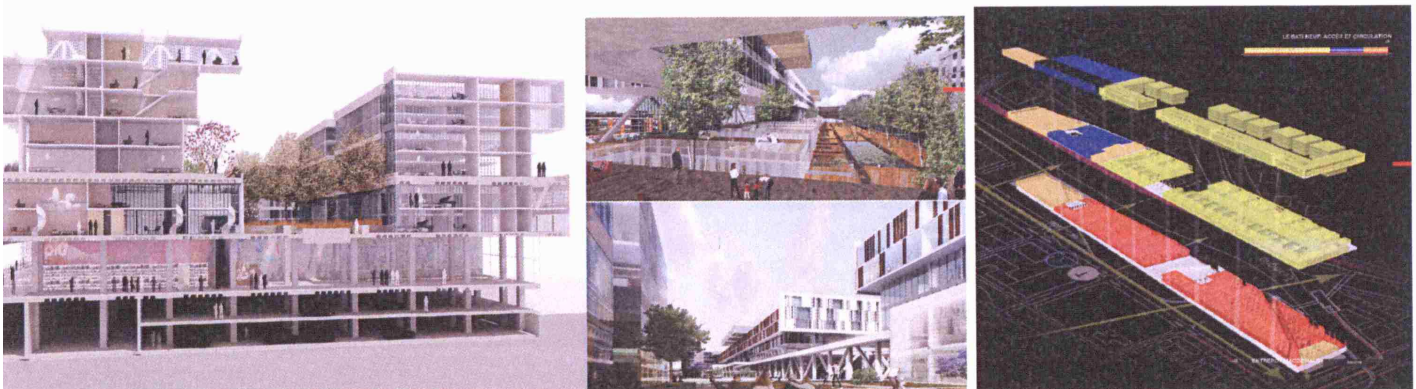


Figure 14 : The reconversion project for the Macdonald warehouse

Source: ParisNordEST/ OMA

ZAC Claude Bernard

The ZAC Claude Bernard is a mixed use development of 14.6 ha set in the urban regeneration sector of Paris Nord Est. A wide of range of uses are planned in this area (offices, housing, retail, public facilities, open spaces, etc) in order to revitalise this neglected area of Paris. In this ZAC, four mixed use buildings will be built along the Macdonald Boulevard. These buildings will be dominated by housing but will also comprise workshops and retail areas in the first two floors. One of the building hosts as well an “Etablissement Privé pour l’Hébergement de Personnes Âgées Dépendantes” (EPHAD).

Programme:

- ⇒ 20,670 m² housing (including 50% social housing)
- ⇒ 1,700 m² workshops
- ⇒ 4,400 m² service
- ⇒ 6,000 m² for the EPHAD
- ⇒ 1,130 m² retail

The ground floors are dedicated to retail and workshops, except for the areas reserved for the accesses to the upper floors and for the technical rooms. The masterplan requires retail activities to face the boulevard in order to bring liveliness on the public space.

The “aménageur” of the ZAC is the SEMAVIP. The developer is Meunier Habitat (with the RIVP for social housing). The developer also had to sign a “bail emphytéotique” with the SEMAEST, who will be in charge of the workshops.

In order to bring architectural diversity, a different architect was chosen for each building. The coherence of the ZAC is guaranteed by a coordinator architect, François Leclerc.

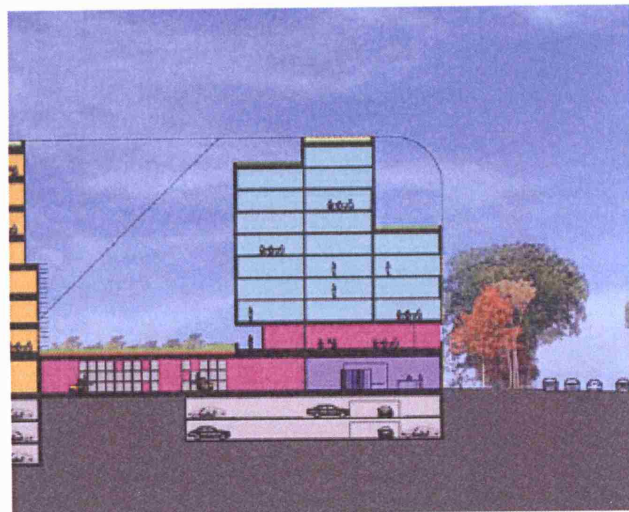


Figure 15: The buildings host retail and workshops in the ground and first floors and housing above. Office buildings stand behind the mixed use buildings.

Source: SEMAVIP

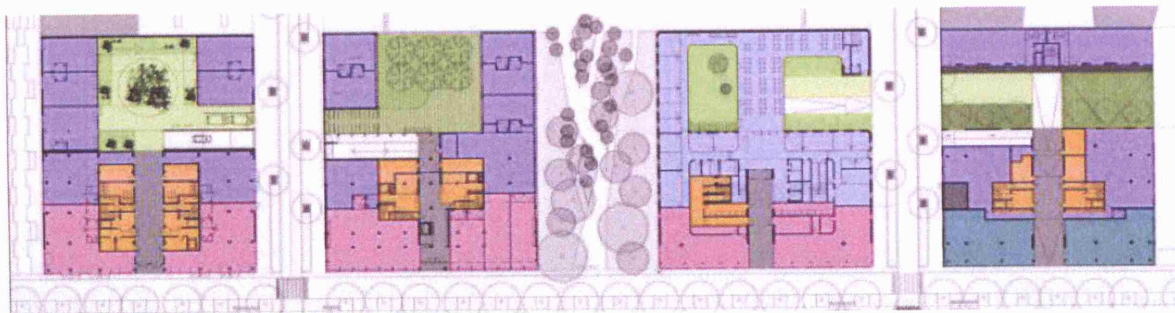


Figure 16: The ground floor of the buildings not only hosts the retail and workshops but also the accesses to the housing (one access to the social housing and another to the private housing).

Source: SEMAVIP/Meunier Habitat

Kings Place

Architect: Dixon Jones

The land of the scheme, bordered by Regent's Canal and Battlebridge Canal basin, just a couple of blocks north of Kings Cross St Pancras, was bought in 1999 by Peter Millican to implement an unusual mixed use project. The choice of the location was mostly taken because of the prime accessibility of the site, right next to Kings Cross transportation hub.

The project is to a great extent a speculative office development. However, the lowest floors have been entirely given to public facilities.

The programme of the development involves:

- ⇒ offices (26,000 m²) that will especially host the Guardian and Observer newspapers
- ⇒ two concert halls hosting two famous orchestras, the Orchestra of the Age of Enlightenment and the London Sinfonietta,
- ⇒ art galleries and restaurants and bars.

"But these [...] normally conflicting uses do not stand bashfully side by side separated by a tasteful plaza. [...] they are wrapped up together into a single four-square building." (Martin Spring²⁹)

The concert halls and the main gallery are set in two levels of basement, the ground floor hosts restaurants, a sculpture gallery and a portrait gallery and the upper floors host offices. "There's usually a strong sense of privacy and trespass surrounding office buildings, but the ground floor is open to the public, with a wide two paths for outdoor eating" (Jeremy Dixon, architect).

The two orchestras were given the halls and other facilities at a peppercorn rent.

In addition to the cultural facilities that Kings Place provides to the area, an outreach programme was set up in order to provide "wide and accessible music and arts to the local community". The programme will include, for example, workshops, school concerts or week-end and summer courses and will involve the various institutions based in Kings Place, such as the orchestras or the sculpture gallery.



Figure 17 : Kings Place

Source : www.building.co.uk



Figure 18: The organisation of Kings Place

Source : www.building.co.uk

²⁹ www.building.co.uk, 2008 issue 18

Oxo Tower

Architect: Lifschutz Davidson Ltd

The building was originally a power station built around 1900 for the Post Office. It was later purchased by the Liebig Extract of Meat Company who rearranged the building and used it to store, process and pack the meat. In the early 70s however, the building was hardly used anymore.

By the time that Oxo Tower Wharf was bought by Coin Street Community Builders, it was a derelict warehouse. The building was transformed and refurbished by CSCB into a mixed use building, comprising co-operative homes, retail design studios, specialist shops, galleries, restaurants, cafes and bars. The building receives about 500,000 visits annually.

"An initial contract carved out a two-storey arcade as part of the construction of the riverside walkway. In 1988 a second contract demolished the middle of the building and part of the Bargehouse. In 1991 a third contract repaired the basic structure of the building. Only after this was any bank willing to lend money for the main refurbishment contract." (Coin Street Community Builders)

The ground, first and second floors are open to the public and host the commercial uses. The five next floors host the residential uses (78 flats) and the last floor is home to a restaurant (Harvey Nichols) and a public viewing gallery. Accesses to the different uses are clearly separated.

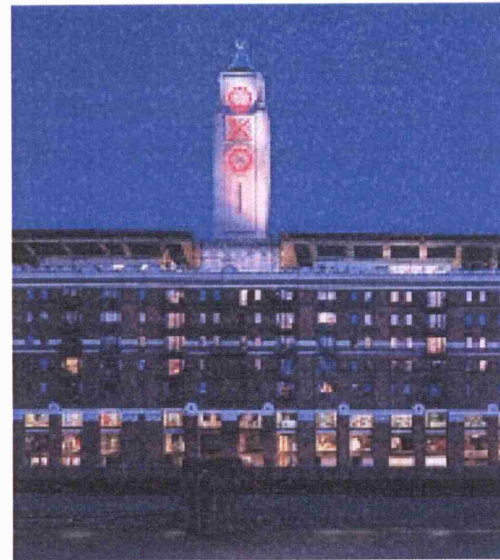


Figure 19: Oxo Tower Wharf

Source: Coin Street Community Builders

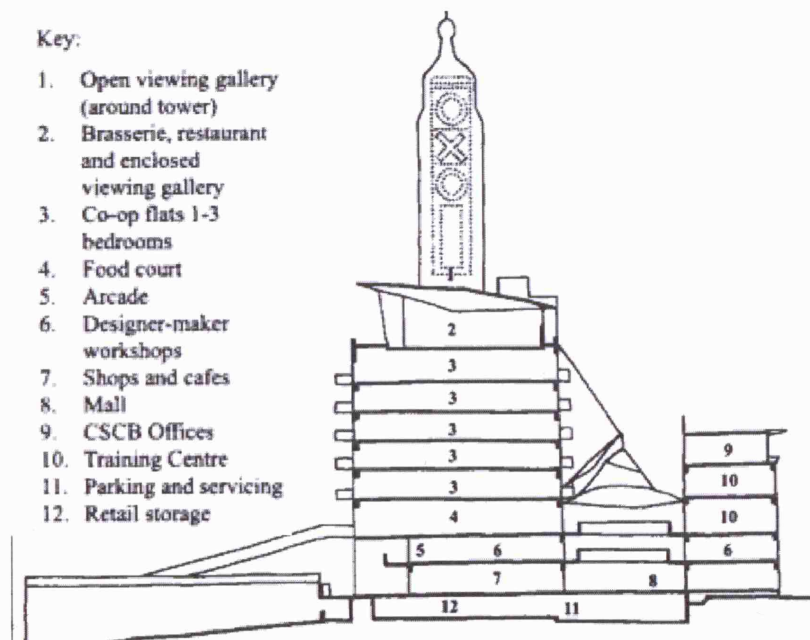


Figure 20

Source: Coupland, "Reclaiming the city: mixed use development", London E&FN Spon, 1997, p.242

Coin Street Community Builders is a development trust and social enterprise, set up “to make the area a better one in which to live, to work and to visit”. The company is limited by guarantee: its profits have to be reinvested into public services objectives rather than be redistributed to shareholders. “Coin Street Community Builders employs a staff team to develop, manage and maintain the site including commercial lettings, gardening, security, facilities management and the organisation of festival events.” (Coin Street Community Builders)

Coin Street Community Builders bought the freehold of a 13 acre site on the South Bank of the Thames in 1984, as a result of local community pressure to prevent plans for major office development in order to develop locally-controlled mixed use development. The development proposals of the 1970s involved a proposal for large office blocks 14-16 storeys high that would have “swept down the river bank” (princes-regeneration). A campaign against these projects was launched by the local community and then taken up by the Coin Street Action Group (1977). The group proposed alternative plans, aimed at the local population and promoting a more balanced development of the area. After a long process, Coin Street Community Builders managed to get the planning permission for their project and bought the land to GLC, which finally enabled them to start the redevelopment of the area.



Figure 21: From left to right and top to bottom: façade and back of the building, designers' shops in the first floor, Harvey Nichols restaurant on the top floor and the public access to the first and second floors surmounted by the housing balconies.

Sources: www.essential-architecture.com; www.urbandesigncompendium.co.uk; Coin Street Community Builders; www.e-architect.co.uk

Appendix 3: Permis unique and ensemble immobilier complexe: two incompatible concepts?

Among other problems, a major difficulty that appeared in the planning process of the Macdonald warehouse reversion is linked to the building permits applications and the uncertainty whether a unique application or dissociated applications should be put forward. However, this issue has not been completely solved yet, and decisions regarding this subject are changing everyday. The regulation regarding this is also very unclear and subject to various interpretations, that lead to unending negotiations and discussions between developers, planners and lawyers. This is why I decided to deal with this subject only in an appendix. It could not be accurate anymore when the reader will read this dissertation.

The reversion of the Macdonald warehouse highlights a legal issue closely linked to the mix of uses in buildings. Indeed, in France, one of the principles for the planning regulation is that buildings are indivisible entities. For buildings mixing only two uses, or rather small mixed use buildings, this doesn't necessarily create a problem. However in a scheme as complex and big as the Macdonald warehouse, the important number of "maîtres d'ouvrage" involved in the project, each of them having their own agendas, priorities and constraints, should lead to multiple "permis de construire"³⁰, allowing them to split the risk. Multiple permits, on the contrary to a unique permit, enable developers to complete their parts of the development (if technically possible) even if one of them fails to get his building permit or decides to bring major changes to his project after getting his permit. On the other hand, multiple permits prevent the local authority to make a decision regarding the permissions in full awareness of the project or to have the guarantee that if they grant the building permit to one developer, the all development will be completed.

« On voit bien que les pouvoirs publics ont envie d'imposer de la mixité, urbaine, sociale, de fonctionnalités. Mais ce que l'on constate aussi, c'est qu'en revanche, en ce qui concerne tout ce qui est autorisations d'urbanisme, [...] la pluralité et la mixité n'a pas été pensée. On le voit totalement en ce qui concerne la problématique des autorisations de construire sur Macdonald. [...] c'est un vrai problème et on voit très bien que le droit de l'urbanisme n'a absolument pas été pensé en ce qui concerne la complexité verticale. Il y a un vrai manque sur ces sujets-là en droit de l'urbanisme, ce qu'on voit pleinement sur Macdo. C'est un élément d'insécurité juridique. » (Michèle Raunet, Office Cheuvreux)³¹

Such a situation de facto introduces a risk about the building permits that can not be ignored by the developers who engage in the development of vertical mixed use. They have to rely, as in the case of the Macdonald warehouse, on negotiations and agreements with the planning authorities. However,

³⁰The permis de construire could be translated by the planning application. However, building permits only concern buildings. To implement entire development schemes, the permis d'aménager is required, in most cases.

³¹ « You do see that public bodies want to lay urban mix. But you also see that when it comes to planning applications, mixed use and plurality have not been planned. You see this exactly on the planning applications of the Macdonald warehouse. It's a true juridical discussion, a true issue and you see perfectly that the planning law has not been thought regarding vertical mixed use. There is a real deficiency regarding these subjects, as we see on the Macdonald project. It's an important element of risk for the scheme. »

this doesn't protect them from appeals about the granted permissions and on solutions that have not been clearly validated by the law yet. For example, in the case of the Macdonald warehouse, the SAS ParisNordEST, together with the planning department of the City of Paris, have decided to add a general presentation of the project (with specific engagements and deadlines) to each of the building permit requests.

Mecanisms need to be set up in order to take into account the specificities of vertical mixed use. *“Il y a tout à inventer. [...] Je pense que ça va être fait, parce que je pense que nous allons avoir des contentieux sur ces sujets. »* (Michèle Raunet, Office Cheuvreux)³²

I would have liked to compare this aspect of the Macdonald warehouse project with the Mailbox in Birmingham, where the air rights of the scheme were sold to Crosby Homes to build 144 flats. I especially wondered if this meant that, like in the Macdonald warehouse, there were developers developing projects on top of each other, and if they had filed their planning applications together or separately. Unfortunately, I didn't manage to find the information.

³² *“Everything needs to be invented on these subjects. I think it will be done, because we will have litigations”.*